

Changing Forces, Changing City



By Kim Walesh, City of San Jose

The world is becoming more urban

10%

1900

50%

2008

75%

2050

**We face critical decisions about the
kind of city San Jose should
become in the future**



We know the next 30 years will be fundamentally different than the last



**We need to plan a San Jose that can
succeed in an uncertain future**



Consider how we can harness forces of change to be a model city



Demographic



Economic



Business

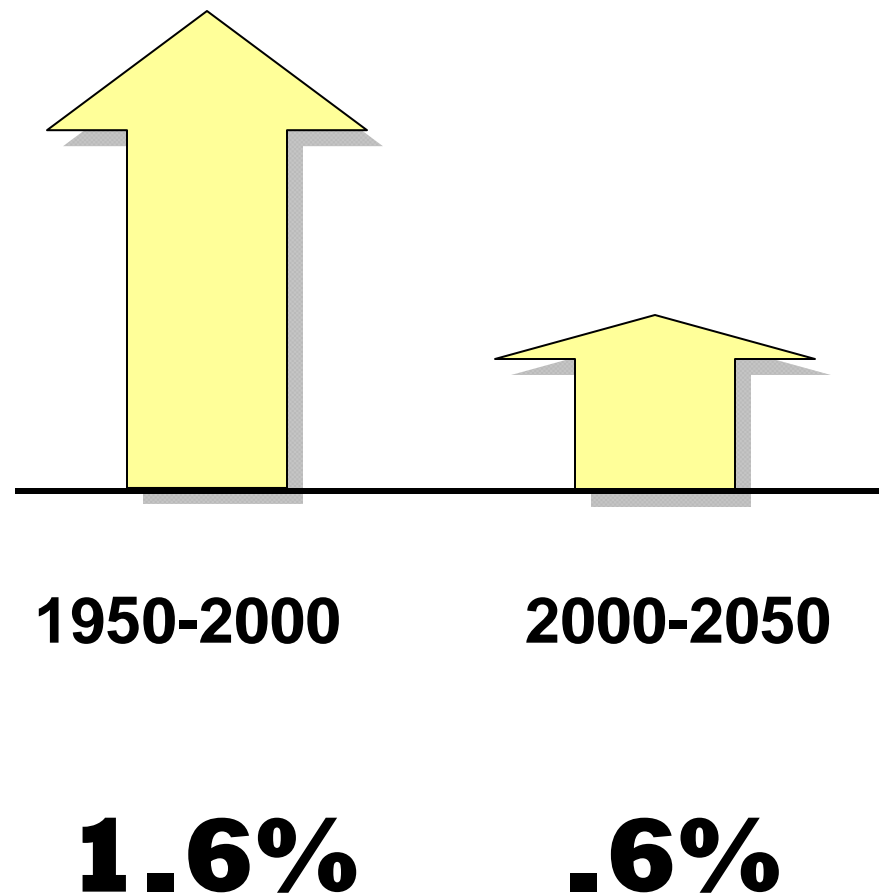


Environment

Demographics: The Battle for Talent Escalates



Labor force will
grow more slowly,
be dramatically
different

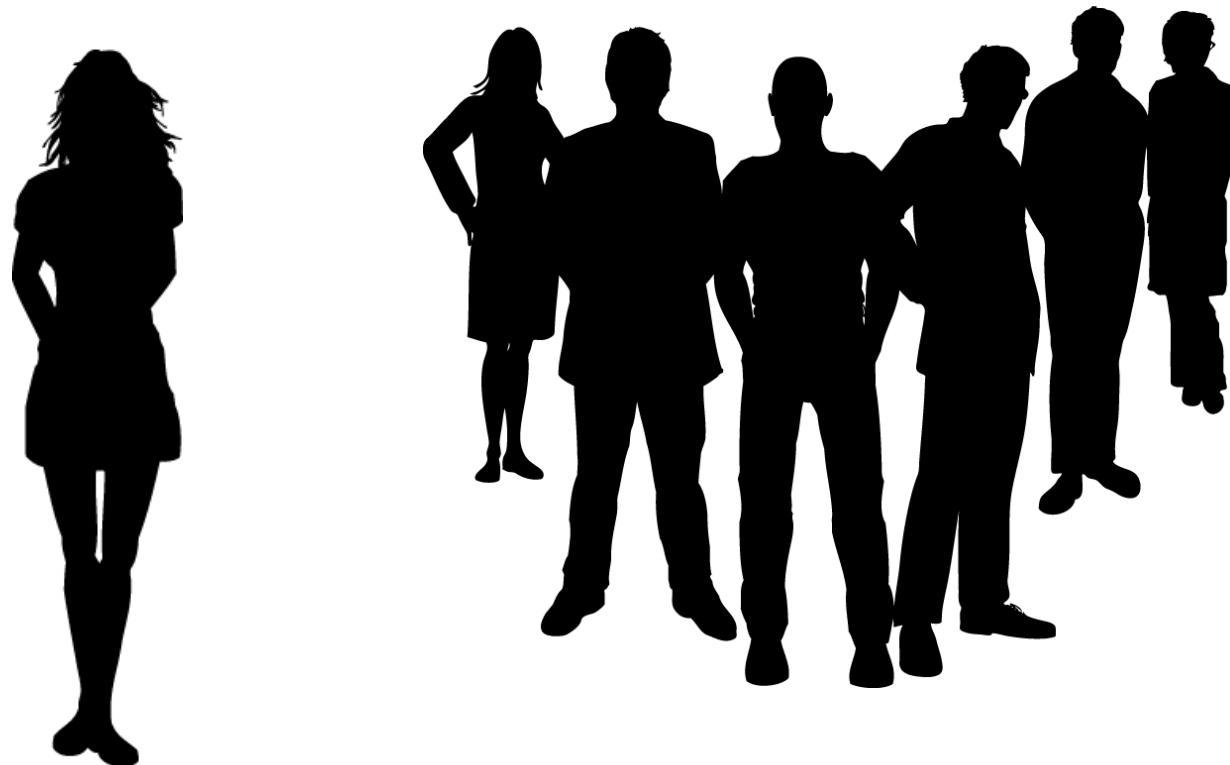


**It will be challenging to find workers
to replace the Boomers**



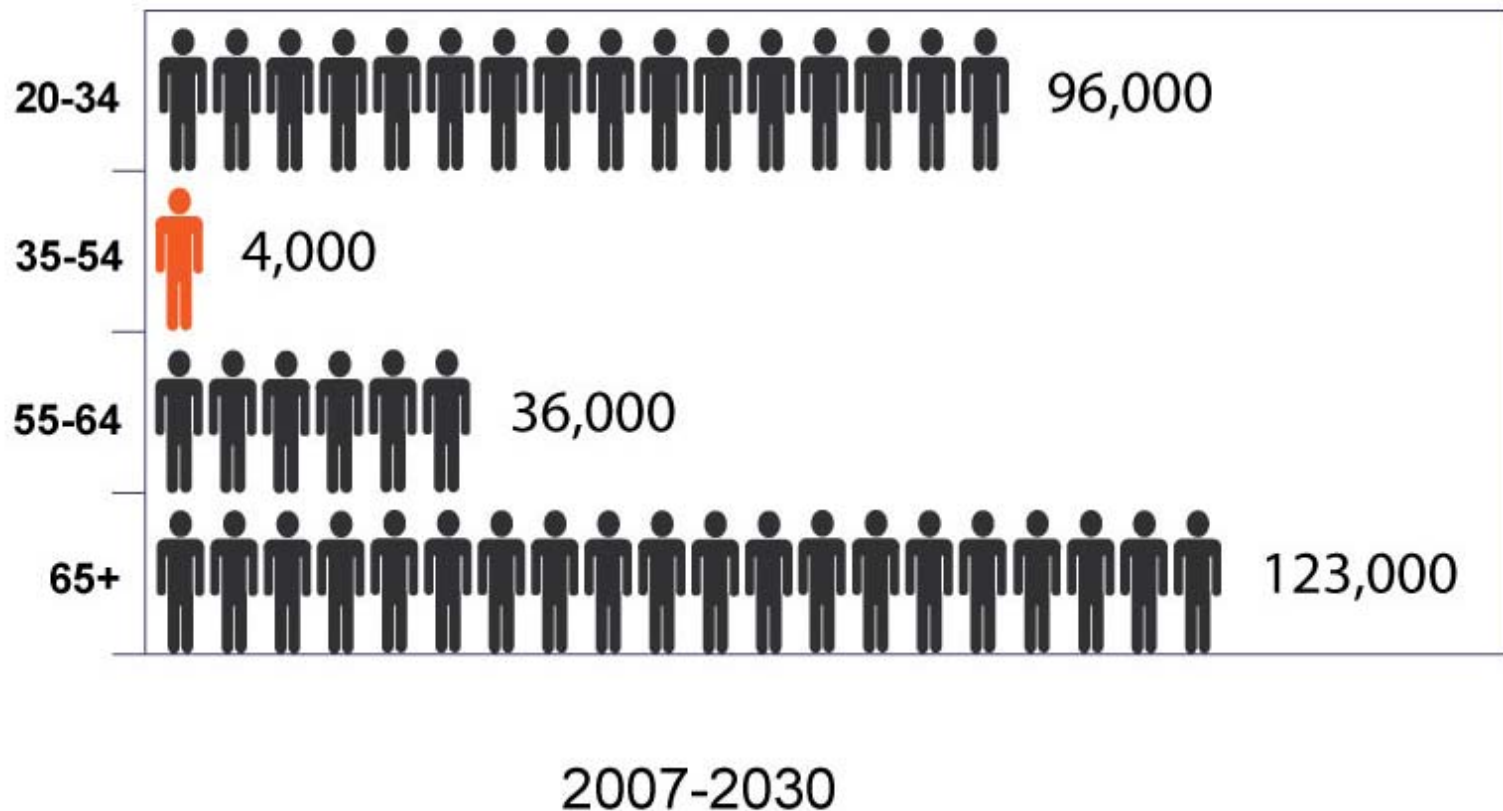
2010

**It will be challenging to find workers
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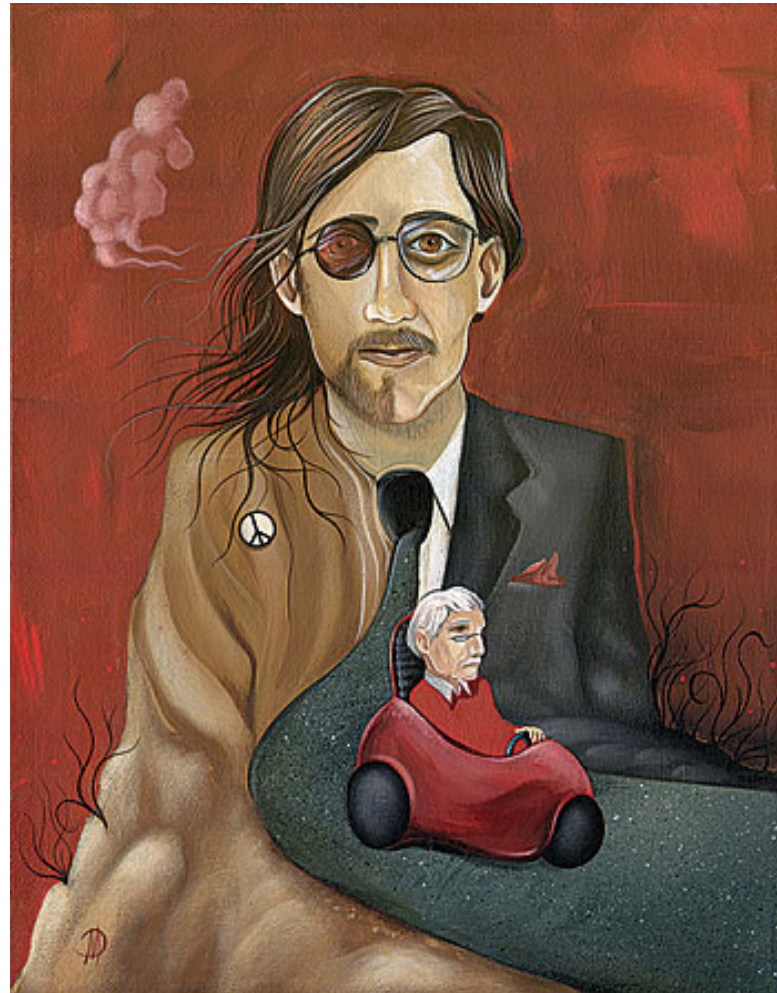


2016

San Jose faces no growth in core middle-aged workforce

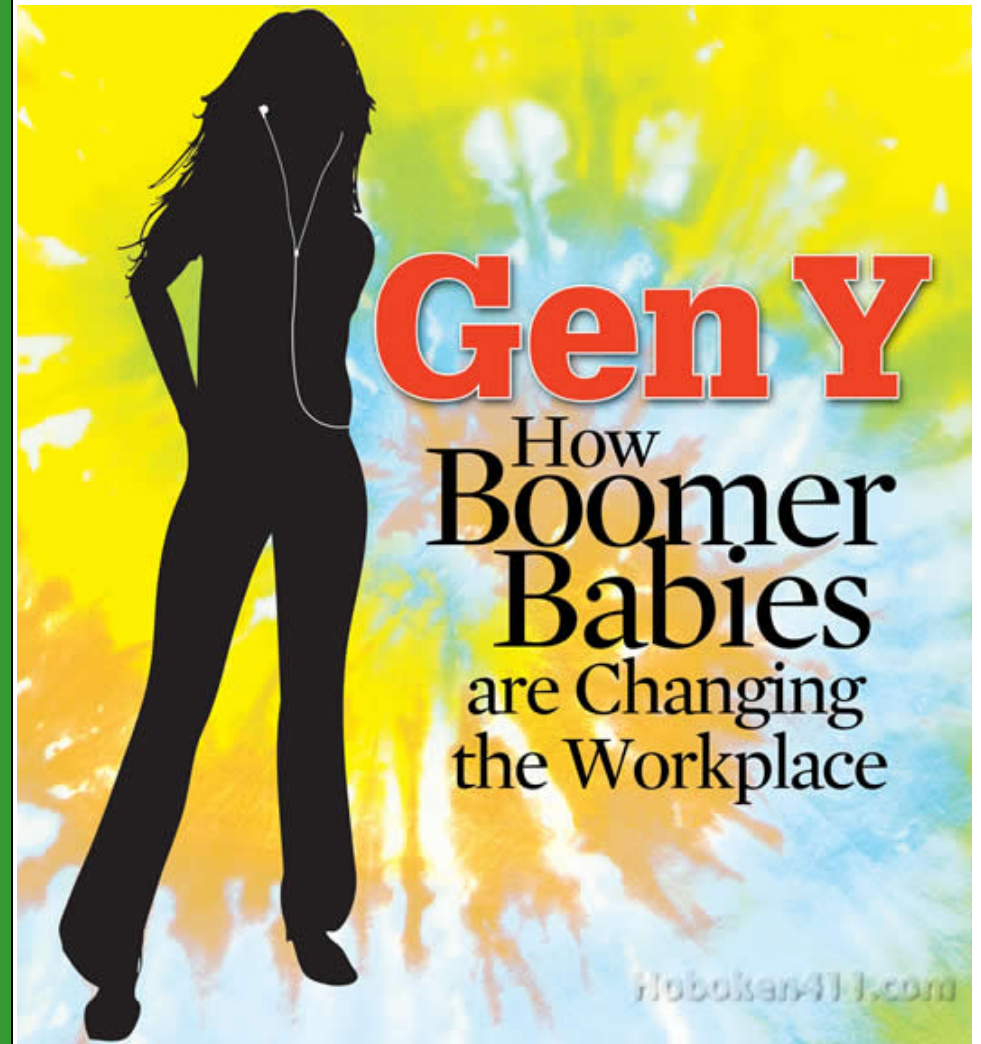


Boomers will remain an asset, but also challenge economic vitality



Dan May

Young
professionals are
key to prosperity



“Live First/Work Second” is their mantra

THE WALL STREET JOURNAL SUNDAY

A BALANCED LIFE

By TARA PARKER-POPE AND KYLE POPE

Pick a Place to Live—Then Find a Job

If you could live anywhere on the planet, where would it be? Like most people, where we live has been dictated by our jobs. We started our careers in Austin, Texas, a town we loved and really didn't want to leave. But the next job opportunity took us to Houston, and then to Dallas. We never put any thought into whether we wanted to live in those cities. We just went, because that was where the work was.

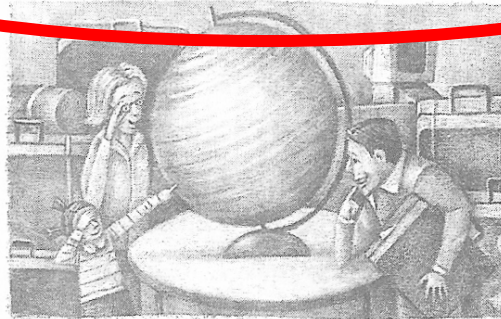
Later, jobs in London and New York were more appealing because of where they were. But it was still the job that determined the city, rather than vice versa.

After a recent vacation in France, we spent hours talking about how much we both would like to live there. But work opportunities broad are more limited, so it seems unlikely to happen except, perhaps, when we retire in 30 years.

Even so, the experiences of several of our friends make us realize that it really is possible to live in the place of your dreams long before our retirement years.

A few years ago, a friend of ours who lived in Connecticut and commuted to work in New York decided she wanted to live somewhere else. Her husband had always dreamed of living on a lake. The problem was that both their jobs were far from the place in southern New Hampshire where they wanted to live.

Even so, they decided where they lived was the thing that mattered most, and both felt confident they could find interesting work anywhere. So they decided to move. He quit a management job and started consulting. She also was prepared to leave a job she loved as a vice



president work situation that she wouldn't have had otherwise.

"I love being here in the peaceful setting on the lake, but still love traveling to New York," she says. "It's a way I've been able to incorporate both sides of my life. In a small way I'm avoiding some of the guilt that often comes with working mothers because I have the best of both worlds."

She knows she and her husband were lucky to find fulfilling work and be allowed to live where they wanted, but she thinks it's a plunge everyone can take. "You just need to have confidence that no matter what you decide to do, you're going to be OK," she says. "Look at it as an adventure instead of a scary experience."

It was on a long vacation in France that two other friends of ours decided to change their city. Our friend came equipped on the vacation with cellphones and computers so he could keep track of his business. He was surprised by how

and near the ocean—all the fun things we do on vacation."

And so they began researching places to live. He had started a thriving business in London, but gambled that he could continue working while based in France. He wanted to live relatively close to a business area so he eventually had the chance to develop contacts closer to home.

The decision also was heavily influenced by where they wanted to send their son to school. Financially, they had always lived below their means and had managed to put together some savings that could buffer them if times got tough.

They settled on Toulouse, France. And they moved.

After six months, they are thrilled with their decision. They are more relaxed, and sometimes feel as though they have simply forgotten to go home from vacation.

"I don't want to make it sound like it's without obligations or frustrations," he says. "We still have

next door," he says.

He laughs at the notion that the move makes him a risk taker or some sort of pioneer. He notes that his great-grandfather, who emigrated from Latvia and lost his wife on the voyage to America, was a risk taker.

"They didn't have phones and faxes and automatic forwarded e-mails," he says. "They didn't have the hometown newspaper on the Internet. These people left everything behind to start a new life. In some ways it's a bit similar—they wanted to live somewhere else."

Our friend notes that while many people think it's great he now lives in such an idyllic location, most don't think they could make such a major lifestyle change themselves, either because their job wouldn't allow it or they couldn't swing it financially.

"People will always invent reasons why they can't do things," he says. "You look at the freedom that is out there that one could give one self, and it's a bit scary, a bit overwhelming. I think people would rather limit themselves.... They build in a huge amount of expense in their lives, and that does limit you."

He admits such a change would have been more difficult if their kids had already been immersed in school. That's one reason he and his wife decided to move while at the early stages of starting their family which includes a young son and twins on the way.

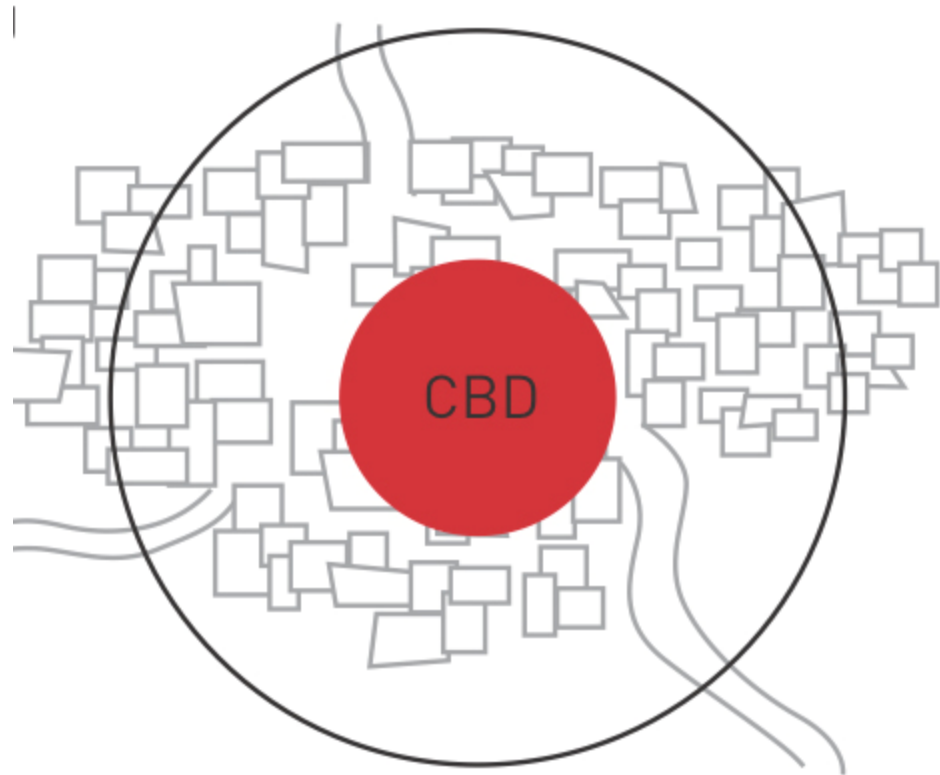
"Once we got our kids into school system and a rhythm of life of their own, we knew we weren't going to be able to leave," he says. "Why wait for retirement? Besides, it might not ever come, or we won't

Young professionals preferring central city locations

1980: **10%** more likely

1990: **12%** more likely

2000: **33%** more likely



CEOs for Cities

May kindle movement for “Kids in Cities”



Immigrants are
essential for
workforce growth



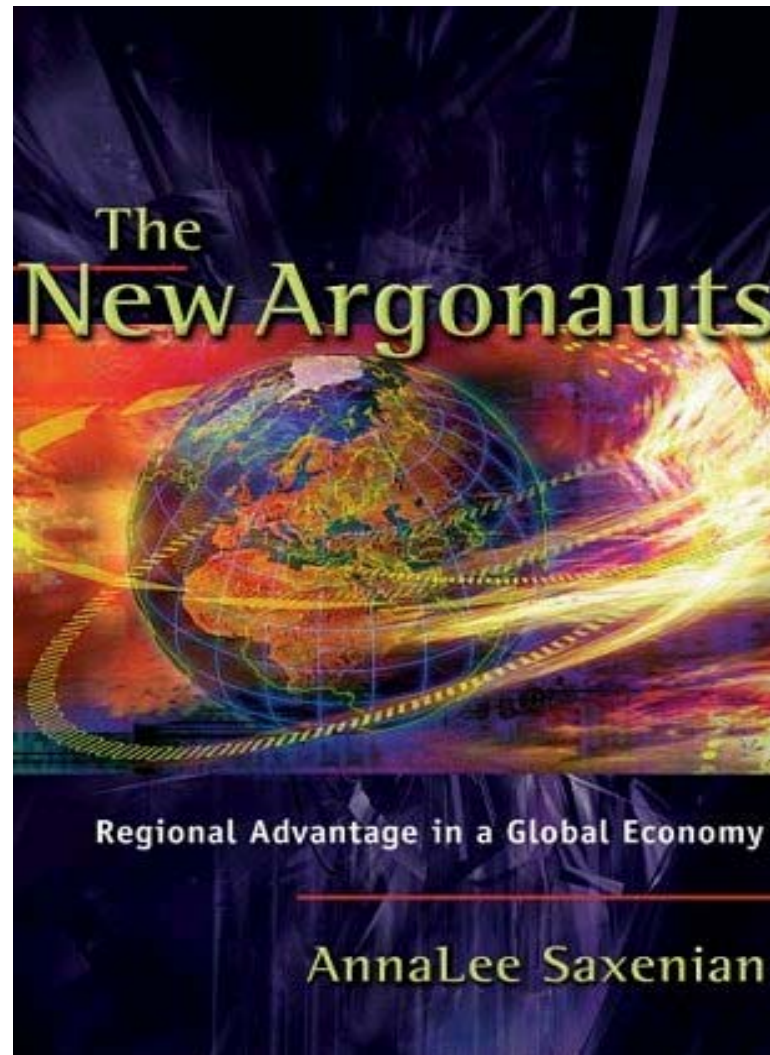
In California, immigrants and their children will drive workforce growth the next 25 years



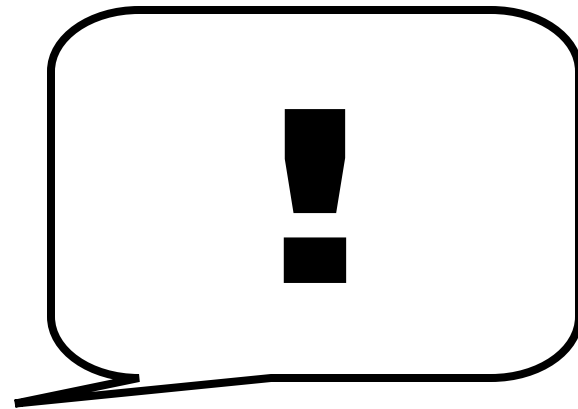
**USC Demographic
Futures Project**

**✓ 100% of
net additions
to workforce**

Global “brain circulation” accelerates innovation



**Cities that can't attract young
professionals and immigrants
will shrink**



Economics:
Structural Shifts
Accelerate



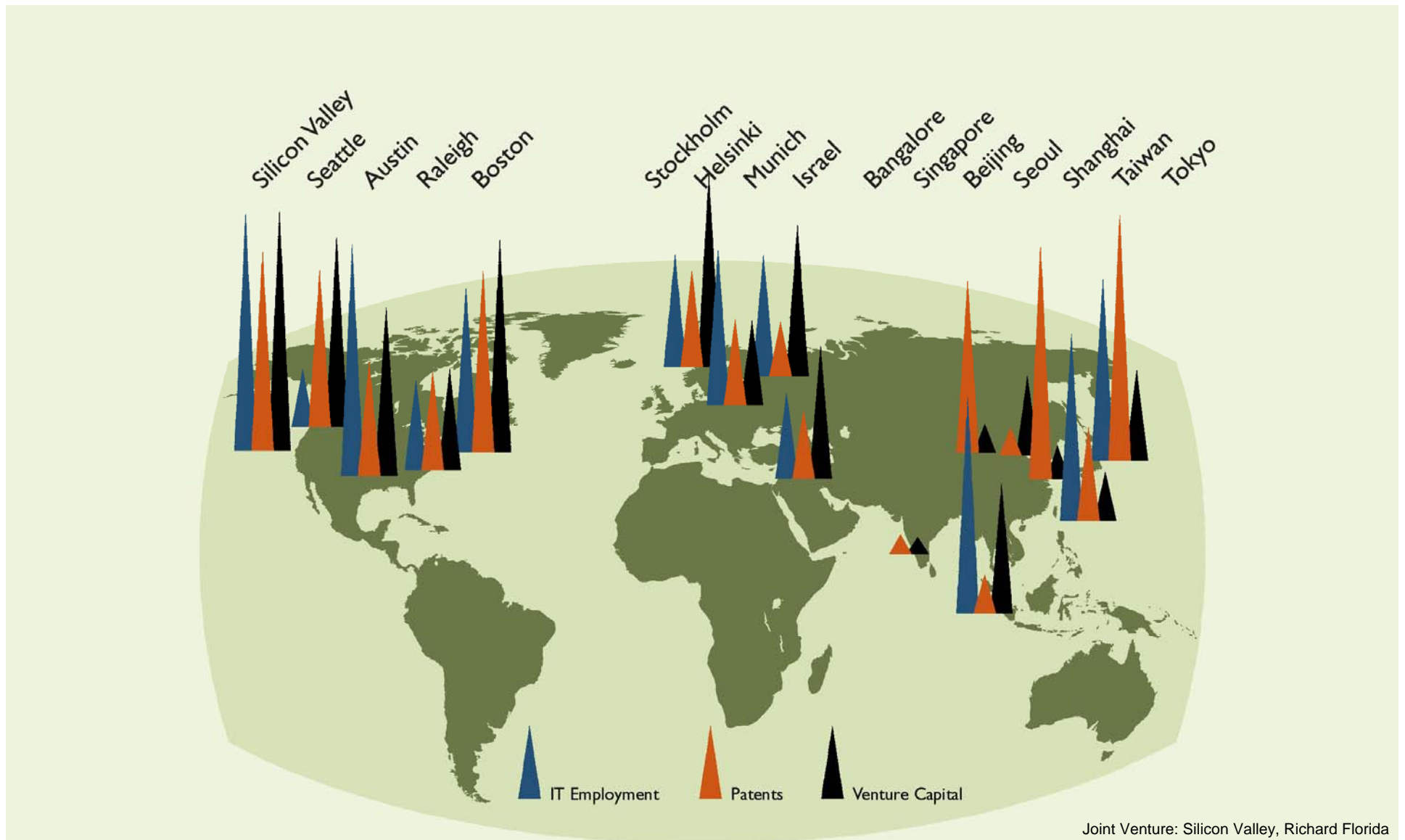
The world is
competitive and
connected



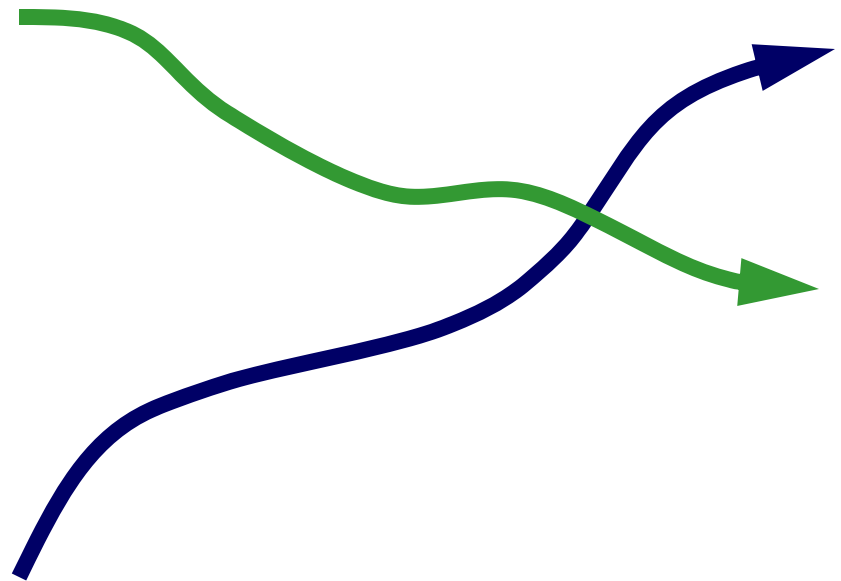
The U.S. economy is declining in significance; Asia is returning to economic pre-eminence



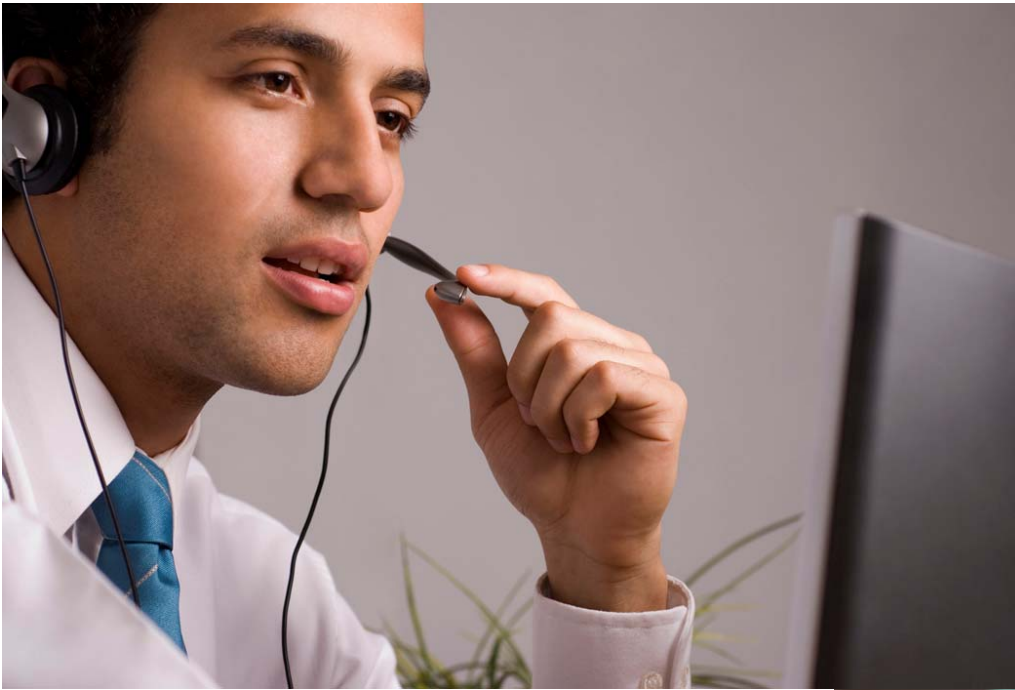
City-regions connect and compete



Globally, there is
a shift to services



Services jobs are across all levels



**Manufacturing still matters,
just like agriculture still does**



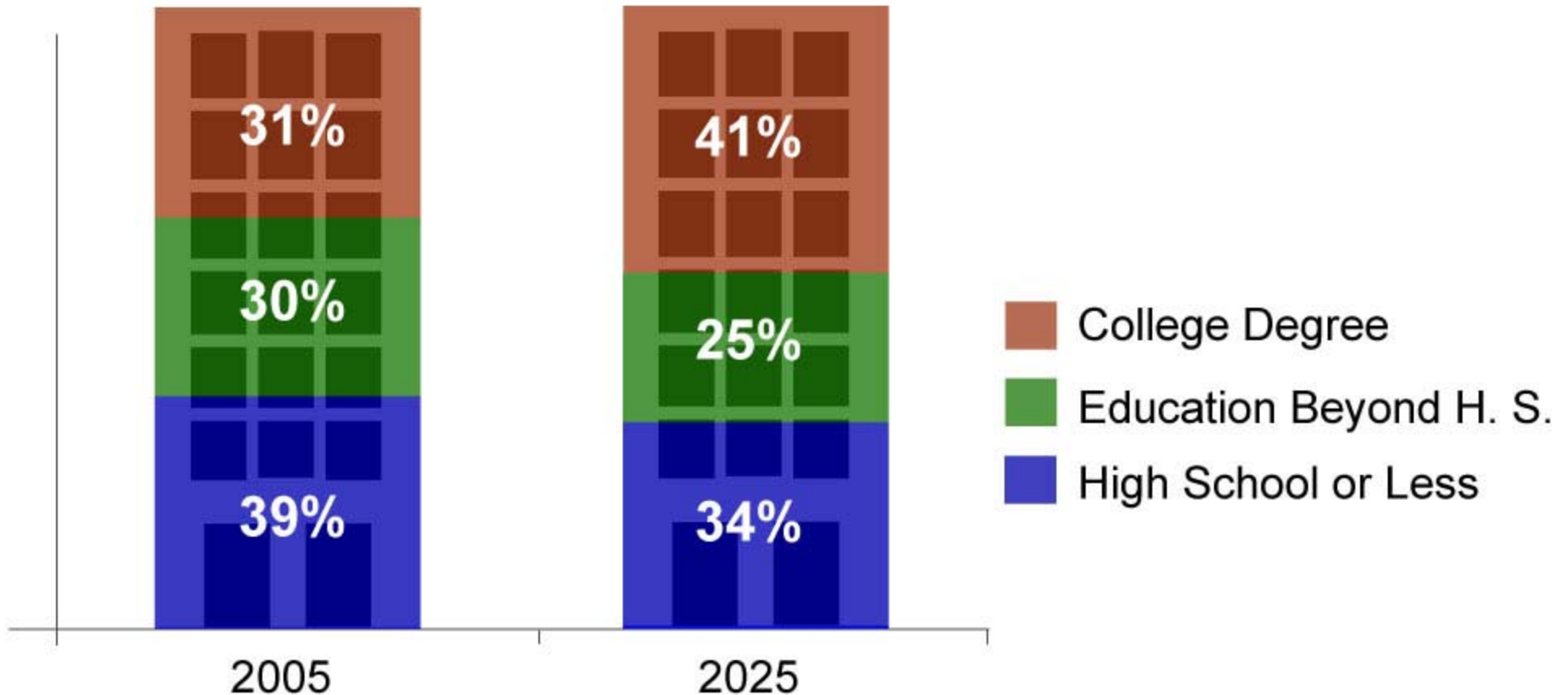
Industrial-age tax structure weakens the link between economic growth and city revenue



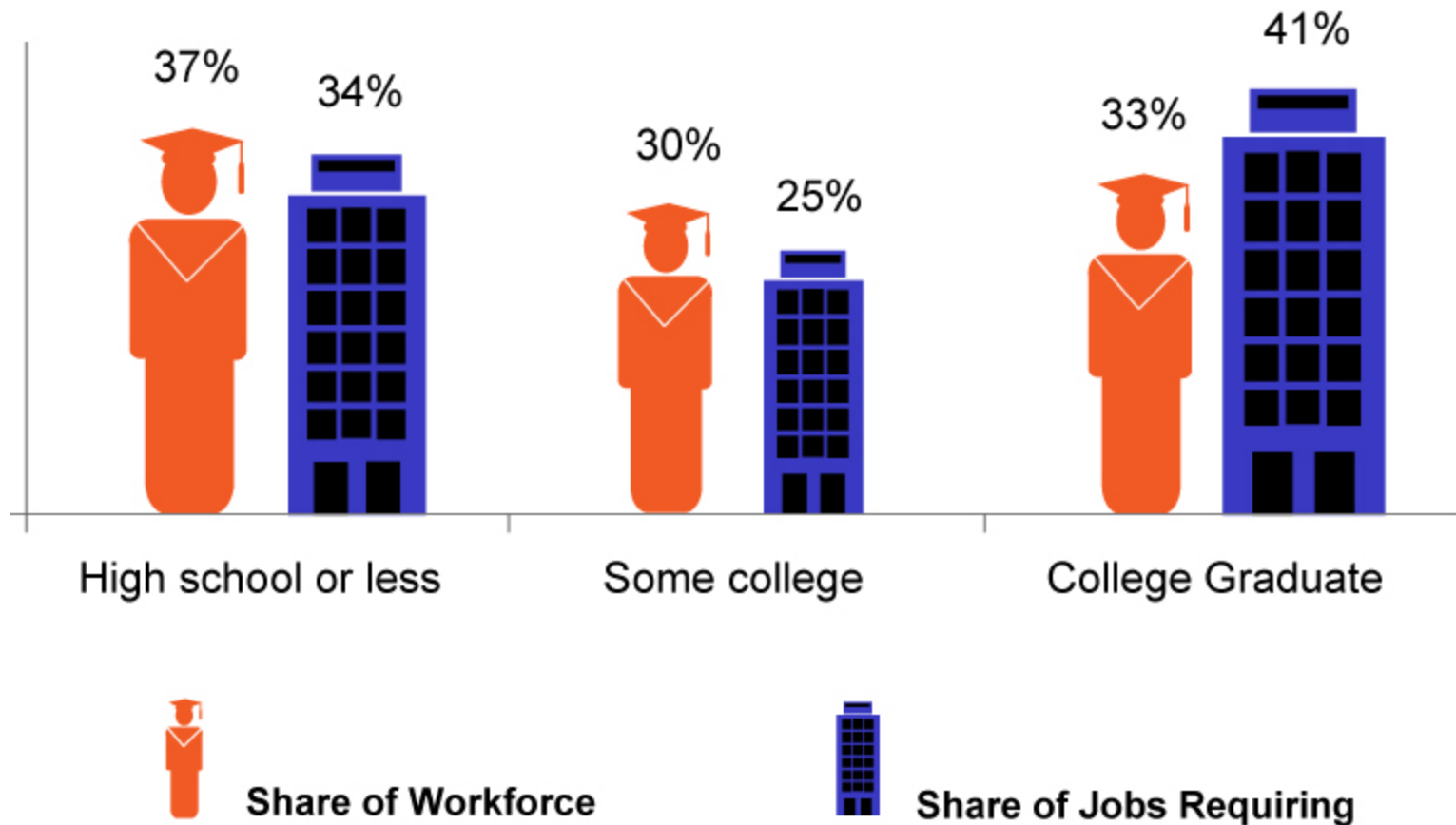
Demand will rise
for educated
workers



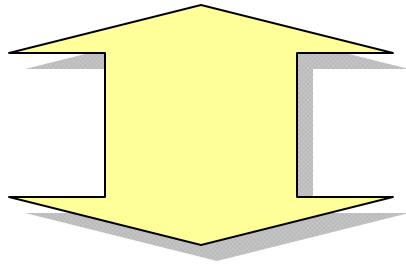
By 2025, 2 of 5 jobs will require college degree; less-skilled jobs will decline as share



California is not prepared

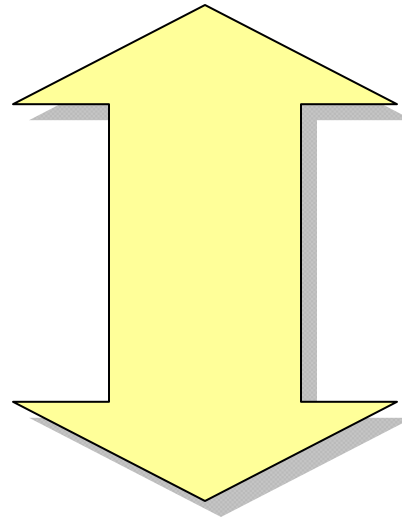


Economic returns to education will increase, widening income gap



Late 1970s

20%



Today

40%

Business:
New Ways to
Work Emerge



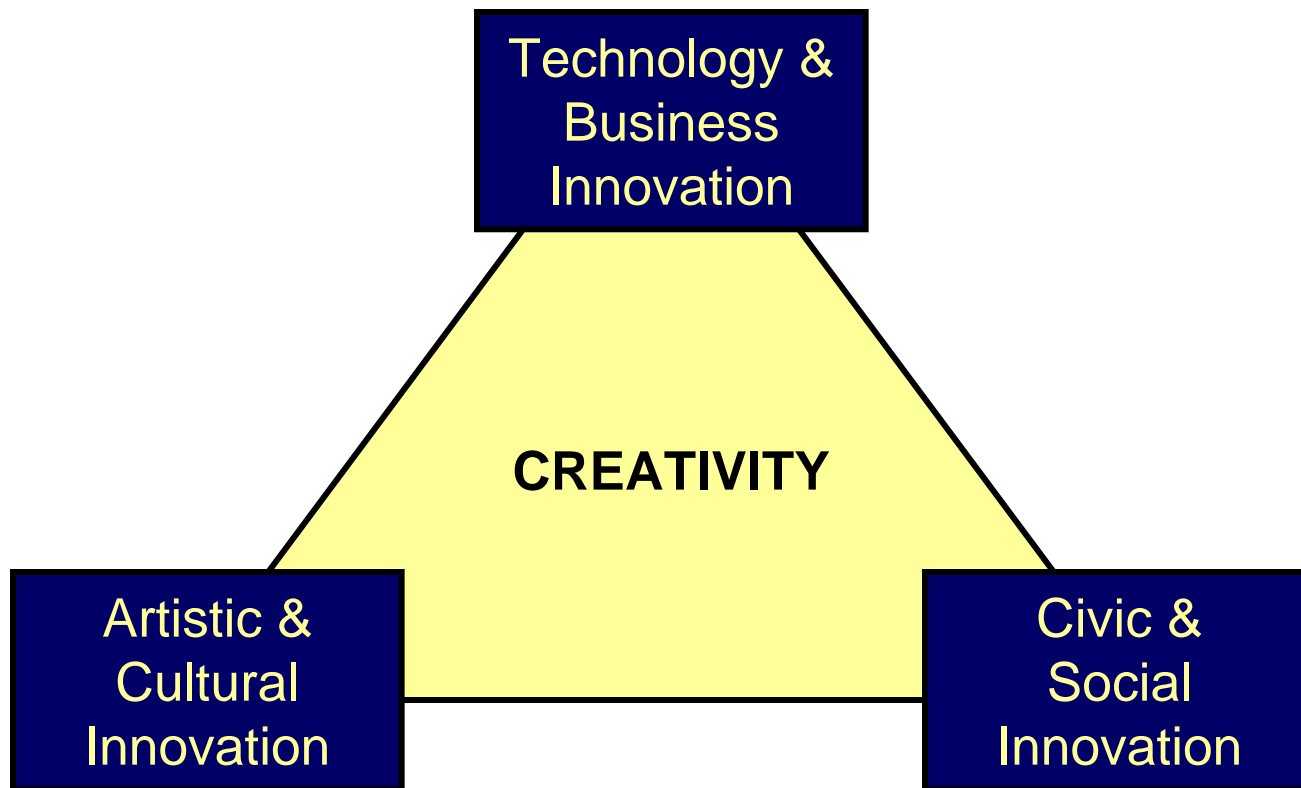
Creativity fuels innovation



The Challenge of Assessing the Creative Economy:
towards Informed Policy-making



Creativity is important across many industries and sectors



Right Brain is becoming as important as Left Brain

**Logical
Mathematical
Linear
Sequential
Verbal
Rational**



**Intuitive
Artistic
Nonlinear
Simultaneous
Visual
Emotional**

The arts are a key building block of competitive workforce



The mobile,
networked
“office” is here



Office space is dramatically underutilized



The mobile workplace plans for different workstyles



Fully Mobile



**Home/
Third Place**



Internally Mobile



Anchor

Mobility cuts costs, lowers carbon footprint, benefits employees



Quality places
are even more
important in age
of creativity,
mobility,
interaction



Innovation requires interaction, face-to-face



There is greater reliance on shared amenities and public space



Support Services



Restaurants



Recreation/Fitness



Cafes, Coffee

The shift from industrial parks to innovation districts is widespread

WASH. TODAY | BUSINESS | SEPTEMBER 14, 2010 | B3A

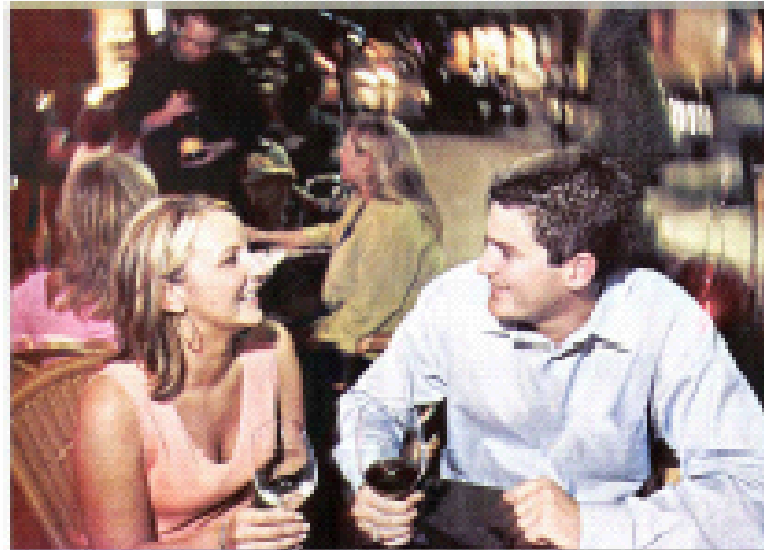
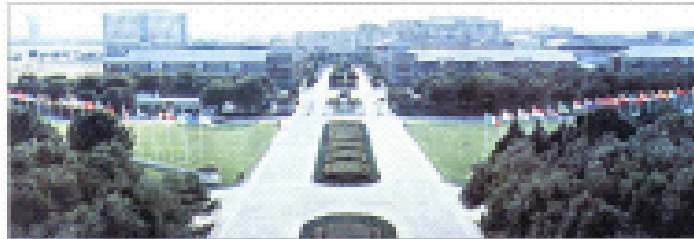
Nation

Suburban office parks get urban injection

Movement in community redevelopment provides commute-weary employees hip new places to live, dine and shop near their work

By David Fikler
DAILY NEWS

Community redevelopment
has a new meaning
in the Washington area.
It's not just about
fixing up old buildings
and parking lots. It's
about creating new
places to live, work,
dine and shop near
each other.



A scene from the new office park in Arlington, Va., with a view of the new office park in Arlington, Va.

WASH. TODAY — When suburban office parks are transformed into vibrant, walkable communities, the benefits are many. They provide a place to live, work, dine and shop near each other, reducing the need for long commutes and the environmental impact of driving. They also provide a place to live, work, dine and shop near each other, reducing the need for long commutes and the environmental impact of driving.

It's a trend that's spreading across the country, as more and more office parks are being transformed into vibrant, walkable communities. The benefits are many. They provide a place to live, work, dine and shop near each other, reducing the need for long commutes and the environmental impact of driving.

But there's more to it than just providing a place to live, work, dine and shop near each other. It's about creating a sense of community and making it a place where people want to live, work, dine and shop near each other.

In the competition for the best office parks, developers are looking for ways to make their parks more attractive. They're looking for ways to make their parks more attractive. They're looking for ways to make their parks more attractive.

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Continued on B3B

Environment: Cities Viewed as Solution



High gas prices
are altering the
real estate
landscape



Growth of suburban housing and outlying communities was predicated on cheap gas



Nationally, home price decline is correlated with auto dependence

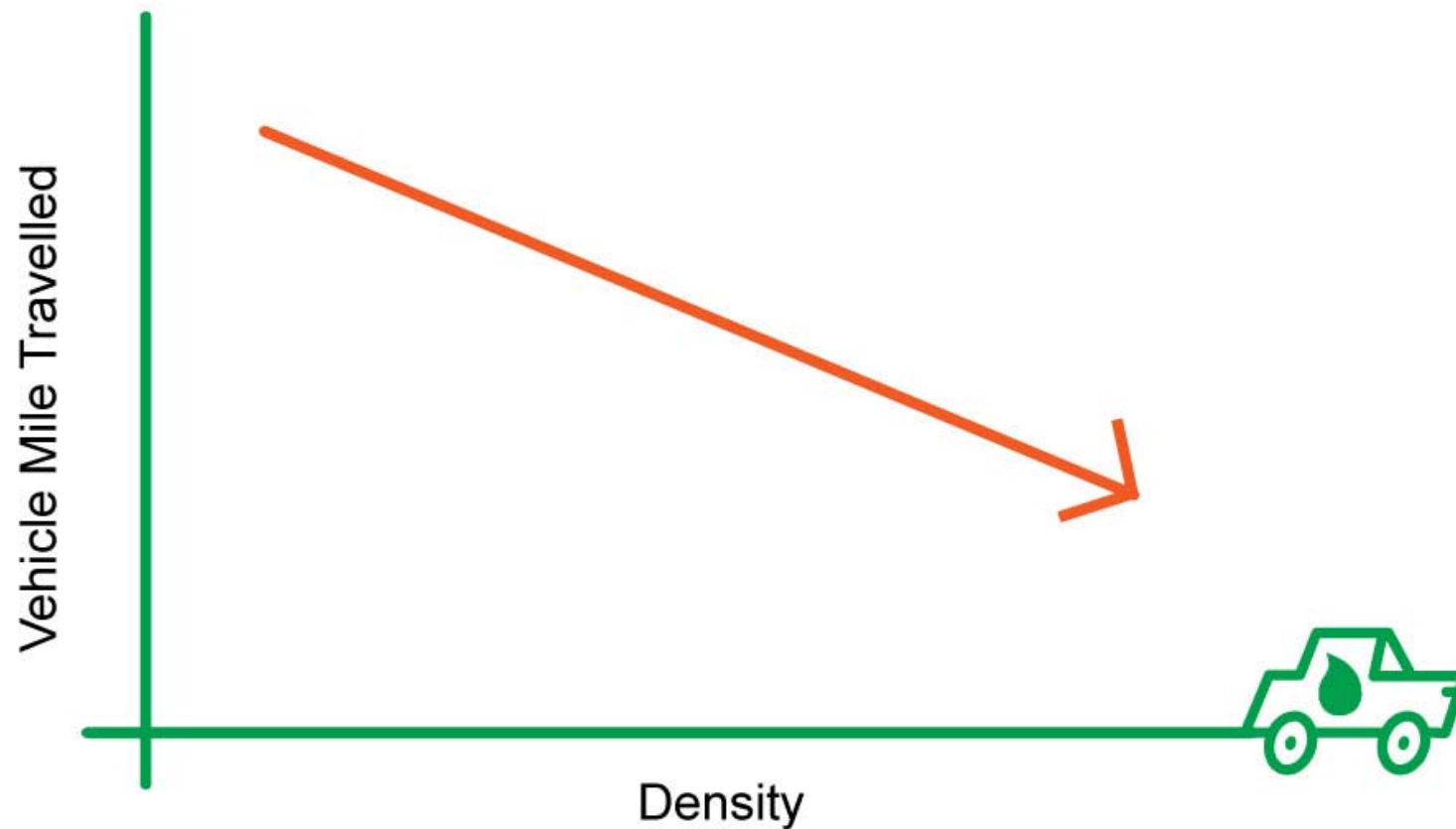
Driven to the **Brink**

How the Gas Price Spike Popped the Housing Bubble and Devalued the Suburbs

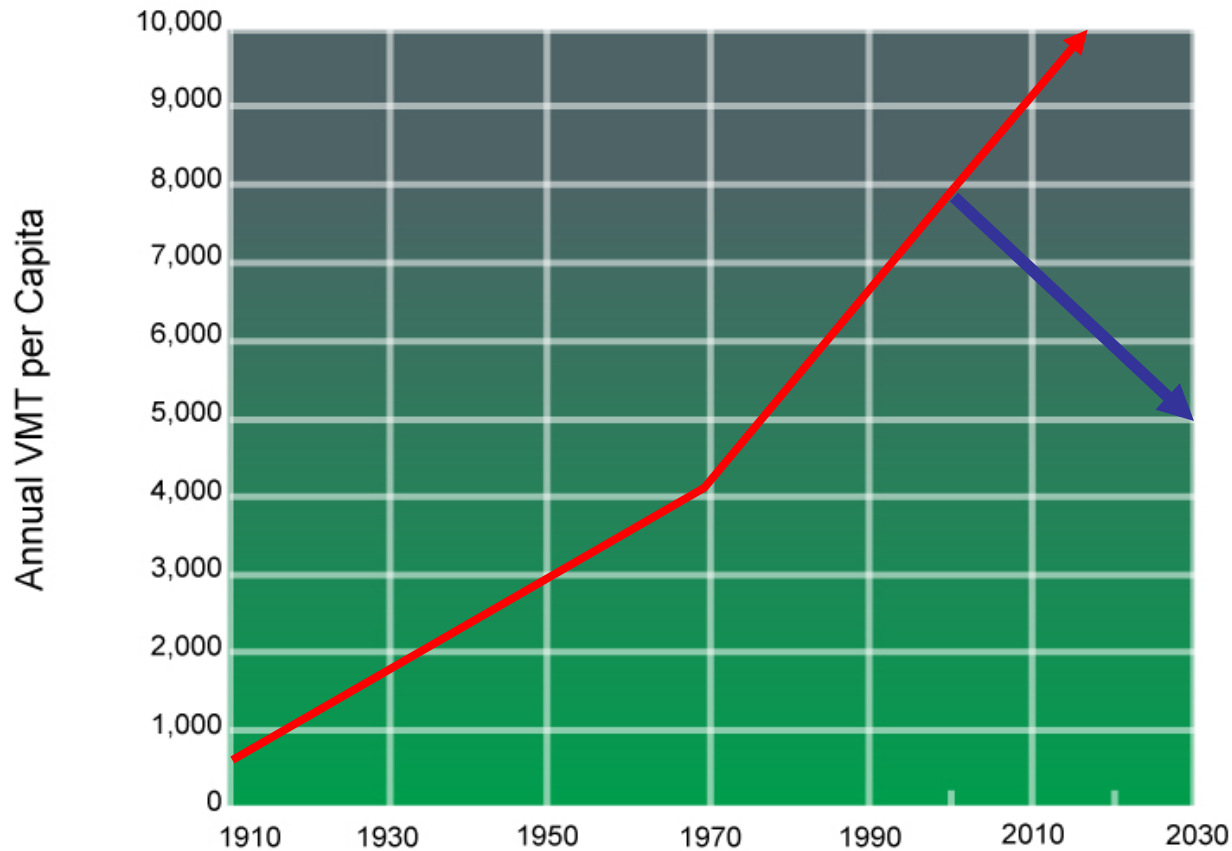
Cities will be
designed for
less driving



**On per capita basis, denser cities
have less environmental impact**



Goal is to reduce VMT to 1970 levels



The 2030 Communities Campaign: Planning to Drive Less

“Green dividends”
will accrue to
smart cities



**Less driving saves money for
families and sparks the economy**

Portland

\$2.3 billion

Chicago

\$3.2 billion





We can harness forces of change to be a model city



Demographic



Economic



Business



Environment

What Do You Think?

What do trends mean
for the future success
of San Jose?



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